Artisan Floating Rate Fund

QUARTERLY Commentary

Investor Class: ARTUX | Advisor Class: APDUX | Institutional Class: APHUX

As of 30 September 2025

Investment Process

We seek to invest in issuers with high-quality business models that have compelling risk-adjusted return characteristics. Our research process has four primary pillars:

Business Quality

We use a variety of sources to understand an issuer's business model resiliency. We analyze the general health of the industry in which an issuer operates, the issuer's competitive position, the dynamics of industry participants and the decision-making history of the issuer's management.

Financial Strength and Flexibility

We believe that analyzing the history and trend of free cash flow generation is critical to understanding an issuer's financial health. Our financial analysis also considers an issuer's capital structure, refinancing options, financial covenants, amortization schedules and overall financial transparency.

Downside Analysis

We believe that credit instruments by their nature have an asymmetric risk profile. The risk of loss is often greater than the potential for gain, particularly when looking at below investment grade issuers. We seek to manage this risk with what we believe to be conservative financial projections that account for industry position, competitive dynamics and positioning within the capital structure.

Value Identification

We use multiple metrics to determine the value of an investment opportunity. We look for credit improvement potential, relative value within an issuer's capital structure, catalysts for business improvement and potential value stemming from market or industry dislocations.

Team Overview

Our team brings together a group of experienced credit analysts who are dedicated to a single investment philosophy and process. All team members conduct deep fundamental credit research as generalists with sector tendencies to identify issuers with high quality business models that have compelling risk-adjusted return characteristics.

Portfolio Management

Bryan C. Krug, CFA
Portfolio Manager (Lead)

Seth B. Yeager, CFA
Portfolio Manager

Investment Results (%)

As of 30 September 2025	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Investor Class: ARTUX	**2.23**	**5.26**	**7.25**	**9.41**	—	—	**6.11**
Advisor Class: APDUX	**2.26**	**5.24**	**7.37**	**9.49**	—	—	**6.20**
Institutional Class: APHUX	**2.27**	**5.39**	**7.43**	**9.55**	—	—	**6.24**
S&P UBS Leveraged Loan Index	1.68	4.69	7.09	9.71	—	—	6.76

Source: Artisan Partners/S&P. Returns for periods less than one year are not annualized. Class inception: Investor (1 December 2021); Advisor (1 December 2021); Institutional (1 December 2021).

Expense Ratios (% Gross/Net)	ARTUX	APDUX	APHUX
Semi-Annual Report 31 Mar 2025[1,2,3,4]	1.63/1.20	1.42/1.10	1.26/1.05
Prospectus 30 Sep 2024[3,4]	1.80/1.22	1.47/1.12	1.29/1.07

[1]Unaudited, annualized for the six-month period. [2]Excludes Acquired Fund Fees and Expenses as described in the prospectus. [3]Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2026. [4]See prospectus for further details.

Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held by an investor for 90 days or less and, if reflected, the fee would reduce the performance quoted.

Performance Discussion

Our portfolio outperformed the S&P UBS Leveraged Loan Index during the quarter. From an asset class perspective, the primary contributor was security selection in bank loans, consistent with our philosophy and approach. By rating, the most notable contributors were positive selection effects in B- and CCC-rated debt. Across sectors, the portfolio benefited from security selection in automotive, consumer goods and retail, while exposure within leisure was the largest detractor.

Investing Environment

After a rollercoaster Q2 that saw considerable volatility across risk assets, overall volatility levels subsided in Q3 as market narratives shifted from discussions on potential tariff impacts to the path of monetary policy. In August, the Federal Reserve confirmed that a softening labor market was at the top of its mind, interpreted by the market as guidance toward further rate cuts. This view was only further heightened by the release of a report by the US Department of Labor in September that indicated nearly one million fewer jobs were created during the 12-month period ending March 2025 than originally reported. In line with expectations, the Federal Open Market Committee voted to reduce the federal funds rate by 25bps in September, the first rate cut since December 2024. Treasury yields fell across the curve with short end rates falling more significantly than long end, while futures pricing indicated that market participants expect the federal funds rate to fall further over the coming year.

Despite rising concerns over the labor market, credit and equity markets continued to perform. The S&P 500® Index gained 8.1% for the quarter—finishing near all-time highs—while credit markets posted positive returns. Bank loans (as measured by the S&P UBS Leveraged Loan Index) gained 1.7% for the quarter, resulting in the index's 13th straight quarter of positive returns—continuing a long-term trend of consistent, steady performance. The average price of the index was effectively flat during the quarter, ending September at 96.4 while discount margins tightened 7bps. With an overall discount margin level of 451bps at the index level, loans continue to provide a considerable spread advantage over most fixed rate assets.

Overall credit spreads have tightened across all credit markets this year as index average prices have rallied from April's lows to pull closer to par. Within credit markets, we believe opportunities for convexity are more prevalent today in the loan market than in the bond market, irrespective of the path of rates. As of the end of the quarter, more than half the high yield bond market is priced above par, limiting price appreciation potential (particularly as most high yield bonds are callable). By contrast, more than 65% of the loan market is still priced below par, offering active managers a greater volume of opportunities for convexity and price appreciation.

Nominal yield levels remain attractive for credit markets and continue to draw interest from investors looking for the potential to earn high-single-digit returns with less historical volatility than equities. At the end of the quarter, the average yield of the high yield index was 6.7% while the loan index yielded 7.8%. Importantly, loan index yields are quoted inclusive of the market's expectations surrounding the path of base rates (such as the Secured Overnight Financing Rate, or SOFR). As noted above, market participants expect base rates to fall further over the coming year, with expectations that the Federal Reserve will cut rates by a further 100bps. As a result, the loan market in aggregate continues to out-yield high yield bonds and virtually all other forms of fixed income, even when incorporating expected base rate declines.

In previous letters, we discussed how credit markets have benefited in recent years from strong technical support, as demand has consistently exceeded supply dating back to the start of the Federal Reserve's tightening cycle in 2022. After a slowdown in new issuance in and around April's tariff-induced volatility, primary markets bounced back with highly active issuance across high yield bonds and bank loans in recent months. While most deals remain oriented toward refinancing and repricing, net issuance has begun to rise amid an increasingly active M&A market. Relative to last year's pace, net issuance is up 40% in bonds and 30% in loans, albeit from relatively low levels. If net supply continues to increase, we believe the multiyear long technical tailwind in our market could shift to a headwind, placing upward pressure on credit spreads—which we would seek to take advantage of by acquiring what we view as attractive assets at discounted valuations.

Toward the end of the quarter, market participants were abuzz with chatter surrounding several idiosyncratic credit issues. In particular, an auto parts supplier, First Brands, filed for a highly publicized bankruptcy in the loan market; given our focus on business quality and our credit-intensive underwriting process, we held no exposure to the name across our platform. However, in aggregate, we continue to observe relatively benign levels of leverage across the high yield bond and bank loan markets, with generally healthy interest coverage ratios that may improve further if base rates continue to decline. In addition, the amount of debt across high yield and loan markets trading at distressed levels is relatively low, well below recent peaks seen in 2020 and 2022. Historically, any jump in distressed debt volume has typically been a leading indicator of increased future defaults, and current levels seem to indicate that investors are not pricing in widespread fears of increasing credit stress.

By contrast, investors may be starting to price in doubts surrounding private credit valuations. Given the opaque nature of private credit, the performance of publicly traded business development companies (BDCs) can serve as a liquid market proxy for the performance of the private credit market overall. According to our analysis, performance of an equal-weighted basket of the 10 largest publicly traded BDCs has significantly lagged behind both public credit and equity markets this year. In addition, several notable BDCs are trading well below book value, an indication of potential investor skepticism surrounding the true value of their assets. As we have previously discussed, the growth of the private credit market has led to a notable risk transfer from public credit to private credit in recent years, which may now be beginning to be reflected in the performance of these liquid proxies.

Portfolio Positioning

We continue to pair high-quality, income-generating assets with idiosyncratic opportunities for enhanced total return potential. One of our most notable purchases during the quarter was the upsizing of exposure at attractive prices to Traeger Grills, a well-known pellet grill designer and distributor. The company benefited heavily from a boom in its business during COVID before going through a readjustment period in 2022 as business normalized. Leading up to 2025, the company was performing well until tariff-driven volatility this year renewed uncertainty about the path of the business going forward. We believe there is considerable brand value for the asset and ultimately see a path toward a potential early refinancing of the 2028 maturity loan in the next 12–18 months, resulting in the potential for attractive total returns. Other notable activity included establishing positions in a well-known restaurant operator that offers a full-service bar and a suite of arcade games in each location, as well as a leading manufacturer of fiberglass pools and automated pool covers.

We believe that our performance in what has been a volatile 2025 is a testament to our high-conviction philosophy and emphasis on business quality. During a period that included a tariff-induced shock in April as well as idiosyncratic weakness across several names in the loan market, our investors have benefited from a combination of strong performance from our highest conviction positions as well as our avoidance of defaults. As our investors know, we strive to maintain our discipline and selectivity and avoid reaching for yield—a common pitfall of many credit managers in environments like today. With highly active new issue markets at relatively tighter spreads, an increase in idiosyncratic credit issues like First Brands could be damaging to those managers who don't maintain their underwriting standards.

Perspective

Bank loans performed well during the quarter despite headlines surrounding the state of the economy and the labor market. Overall, we continue to view the asset class as a valuable component of a diversified portfolio. At current yield levels, the loan market offers investors the potential to earn high-single-digit returns from assets that have demonstrated far less historical volatility than equities. In addition, we believe active managers have the potential to outperform these yield levels, particularly those who have shown discipline in credit underwriting across multiple cycles.

We continue to evolve our portfolio as market dynamics shift, with an unwavering focus on business quality and maintaining our high underwriting standards. In turn, we remain committed to a high-conviction approach, giving us confidence that our portfolio is well positioned for the road ahead.

Top 10 Holdings (% of total portfolio)

TKC Holdings Inc	4.9
Delta Topco Inc	4.7
X Corp	4.6
Nexus Buyer LLC	4.5
Forest City Enterprises LP	3.7
Traeger Grills	3.6
GSM Holdings Inc	3.4
Edelman Financial Engines Center LLC	3.3
Ancestry.com Operations Inc	3.0
1440 Foods Topco LLC	2.4
TOTAL	**38.0%**

For more information: Visit www.artisanpartners.com | Call 800.344.1770

Carefully consider the Fund's investment objective, risks and charges and expenses. This and other important information is contained in the Fund's prospectus and summary prospectus, which can be obtained by calling 800.344.1770. Read carefully before investing.

Current and future portfolio holdings are subject to risk. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. Fixed income securities carry interest rate risk and credit risk for both the issuer and counterparty and investors may lose principal value. In general, when interest rates rise, fixed income values fall. High income securities (junk bonds) are speculative, experience greater price volatility and have a higher degree of credit and liquidity risk than bonds with a higher credit rating. The portfolio typically invests a significant portion of its assets in lower-rated high income securities (e.g., CCC). Loans carry risks including insolvency of the borrower, lending bank or other intermediary. Loans may be secured, unsecured, or not fully collateralized, trade infrequently, experience delayed settlement, and be subject to resale restrictions. Private placement and restricted securities may not be easily sold due to resale restrictions and are more difficult to value. Use of derivatives may create investment leverage and increase the likelihood of volatility and risk of loss in excess of the amount invested. International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging and less developed markets, including frontier markets.

S&P UBS Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the US dollar-denominated leveraged loan market. Loan facilities must be rated "BB" or lower by S&P, Moody's or Fitch; only fully funded term loan facilities are included; and issuers must be domiciled in developed countries. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The portfolio managers' views are subject to change, and Artisan disclaims any obligation to advise investors of such changes.

For the purpose of determining holdings, securities of the same issuer are aggregated to determine the weight in the portfolio. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. Further portfolio holdings information is available upon request. Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expenses. Portfolio statistics include accrued interest unless otherwise stated and may vary from the official books and records of the Fund.

Contribution to Return (CTR) represents the contribution of an investment to the total portfolio return. CTR is calculated by multiplying a security's portfolio weight by its in-portfolio return daily for the period and has been derived from a transaction-based methodology, which includes the impact of transactions. **Attribution** quantifies the relationship between a portfolio's relative returns and the active management decisions differentiating the portfolio from the benchmark. **CTR and Attribution** are not exact, nor representative of actual investor returns due to several variables (e.g., fees, expenses, transactions) and therefore should be considered an approximation and examined in conjunction with the performance of the portfolio during the period. If applicable, securities of the same issuer are aggregated and may be delta-adjusted to determine the weight in the portfolio, and aggregation of corporate affiliates is subject to the determination of Artisan Partners. Further information on the methodology used is available upon request.

This material is provided for informational purposes without regard to your particular investment needs and shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

Credit Quality Ratings are determined by Artisan Partners based on ratings from S&P and/or Moody's, which typically range from AAA (highest) to D (lowest). For securities rated by both S&P and Moody's, the higher of the two ratings was used, and those not rated by either agency have been categorized as Unrated/Not Rated. Ratings are applicable to the underlying portfolio securities, but not the portfolio itself, and are subject to change. **Non-Investment Grade** refers to fixed income securities with lower credit quality. **Par** represents the level a security trades at when its yield equals its coupon. **Spread** is the difference in yield between two bonds of similar maturity but different credit quality. **Leveraged Loans** are extended to companies or individuals that already have considerable amounts of debt. **Discount margin (DM)** is the average expected return of a floating-rate security that's earned in addition to the index underlying, or reference rate of, the security. **Average Price** is the aggregate market value of the fixed income securities in the portfolio. **Book Value** is the net asset value of a company, calculated by total assets minus intangible assets and liabilities. **Credit spread** is the difference between the quoted rates of return on two different investments, usually of different credit qualities but similar maturities. **Current Yield** is the annual income (interest or dividends) divided by the current price of a security. **Interest coverage ratio** is a financial ratio measuring a company's ability to make interest payments on its debt calculated as earnings before interest and taxes divided by total interest expense. **Yield to Worst (YTW)** is the portfolio's weighted-average lowest potential yield that can be received on a bond without the issuer actually defaulting.

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